



Irish Life Weekly Investment Bulletin

The week that was – WEEK 08 2018 (ending 23/02/2018)

“No victor believes in chance.” – Friedrich Nietzsche

Euro area annual inflation down to 1.3% in January – Latest figures from Eurostat show that the euro area annual inflation rate was 1.3% in January 2018, down from 1.4% in December 2017 and 1.4% in January 2017. The lowest annual rate was in Cyprus (-1.5%) and the highest in Lithuania and Estonia, both 3.4%.

U.S. Fed minutes show intention of ‘gradual’ interest rate increases – According to minutes released during the week from the January meeting of the Federal Reserve Open Market Committee, an increase in inflation and broad acceleration of the US economy justify “further gradual increases” in interest rates.

Global stock market up 0.7% on the week – The MSCI AC World TR Index showed a 0.68% rise from 16th February to 23rd February, with a positive boost coming late in the week from a Fed report, which suggested U.S. inflation will remain below the 2% target in 2018. The VIX finished the week at 16.49, down from 19.46.

UK growth in 2017 was the weakest of G7 economies – The Office of National Statistics (ONS) revised downwards 2017 gross domestic product growth to 1.7%, the lowest level seen since 2012. Year-on-year growth in Q4 was also the lowest of the other G7 countries (U.S., Canada, France, Germany, Japan and Italy).

Japan’s exports in January mark the 14th straight month of increases – Ministry of Finance data showed Japan’s exports rose 12.2% in January versus the same month last year, exceeding the forecasted gain of a 10.3% rise and marking the 14th consecutive month of export rises. Imports rose 7.9% in the year to January.

Price of crude oil now up 5% YTD – The price of crude oil rose 3% to \$63 a barrel and is up 5% since 1st January as the Energy Information Administration said crude-oil stocks fell by 1.616 million barrels in the previous week whereas analysts surveyed by The Wall Street Journal had forecast a 1.9 million barrel rise.

The Story of the week: A UK police officer has been accused of taking the biscuit or more correctly, the biscuits. PC Thomas Hooper, a Metropolitan Police Constable attached to the Kingston unit, has appeared at a disciplinary hearing and is said to have taken a two-tier tin of biscuits (type not specified) from a communal area, and then given a false account about it. The officer claims he intended to share the tin and offered to replace them. Answering the point that the offer was made to replace the biscuits, an Inspector Blake said: “By that time the biscuits had been eaten ...”

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 23/02)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	1.3
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-3.9
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-5.4
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-1.6
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	3.0
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	6.3
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-3.8
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	4.0
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.2
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.8
German	1.9	0.5	0.6	0.2	0.4	0.6
UK	3.0	1.9	1.9	1.2	1.2	1.5
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	1.1
Italy	4.1	2.1	1.6	1.8	2.0	2.0
Greece	8.2	9.6	7.9	7.1	4.1	4.4
Portugal	6.1	2.7	2.5	3.8	1.9	2.0
Spain	4.1	1.6	1.7	1.4	1.6	1.6
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.50
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.23
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.40
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

*Past performance is not a reliable guide to future performance